

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1674ER

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
 Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Pogge, B.

3. Committee: Passed Both Houses

4. Title: Common interest communities; definitions; fees for disclosure packets.

5. Summary: Common interest communities; definitions; fees for disclosure packets. Delays until July 2012 the time by which an employee of a common interest community manager must hold a certificate from the Common Interest Community Board. The bill, in cases where a receiver has been appointed, allows the receiver to recover the unpaid portion of any attorney fees, costs, and expenses from the Common Interest Community Management Recovery Fund, if there are sufficient funds in that Fund. The bill reduces from 90 to 45 days the time when the selling owner will be responsible for the fees for preparation of the disclosure packet when no settlement occurs on the unit or lot. The bill contains technical amendments.

6. Budget Amendment Necessary: No; any changes to the budget may be handled administratively.

7. Fiscal Impact Estimates: The fiscal impact estimates are final.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	\$0	0.00	NGF (0259)
2012	\$0	0.00	NGF (0259)
2013	\$0	0.00	NGF (0259)
2014	\$0	0.00	NGF (0259)
2015	\$0	0.00	NGF (0259)
2016	\$0	0.00	NGF (0259)
2017	\$0	0.00	NGF (0259)

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	(\$18,000)	NGF (0259)
2012	\$18,000	NGF (0259)
2013	\$0	NGF (0259)
2014	\$0	NGF (0259)
2015	\$0	NGF (0259)

2016	\$0	NGF (0259)
2017	\$0	NGF (0259)

8. Fiscal Implications: This bill extends the expiration date for provisional manager licenses from June 30, 2011 until June 30, 2012. No additional costs are expected with this legislation.

Revenue: In accordance with the provisions of Section 54.1-113 (Callahan Act) of the Code of Virginia, licensing fees are established at rates adequate to cover a program's operating costs and a proportionate share of agency support costs.

Upon expiration of provisional licenses, regulants must obtain a permanent license at a fee of \$100. The proposed legislation will extend the expiration date for provisional licenses from June 30, 2011 to June 30, 2012, therefore revenue from permanent license fees will not be received in FY2011 but rather in FY2012. There are currently approximately 200 provisional licensees. Revenue for FY2011 was estimated using the permanent license fee of \$100, and assuming that 90%, or 180 provisional licensees would obtain permanent licenses, for a total reduction in revenue in FY2011 of \$18,000. This revenue of \$18,000 is expected to be received in FY2012. This is a one-time delay in revenue.

The Board's current cash and revenues are expected to be sufficient to cover the increased costs associated with this legislation.

Cost to Regulants: This legislation does not add any new fees to regulants. To continue to be licensed, the provisional licensees will be required to obtain a standard manager license by June 30, 2012, at a cost of \$100 biennially, or \$50 annually. This includes an initial \$100 application fee and a \$100 biennial renewal fee. No additional cost to current regulants is expected as a result of this legislation.

9. Specific Agency or Political Subdivisions Affected: Department of Professional and Occupational Regulation

10. Technical Amendment Necessary: Yes.

11. Other Comments: None

Date: 02/8/2011

Document: I:\Finance\Budget\FY11\Legislation\Session\HB1674 11 FIS CIC Disclosure Packets substitute.docx